



November 10, 1994

The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

Secretary Federico Peña's decision that a safety defect exists in certain General Motors C/K pickup trucks, if allowed to stand, threatens the entire automotive industry by creating needless, unreasonable regulatory confusion.

In essence, the practical result of the Secretary's decision is that compliance of a vehicle design with a very specific performance requirement of a Federal Motor Vehicle Safety Standard is irrelevant if the Secretary determines years later that the vehicle manufacturer should have selected an equally compliant design used by another manufacturer because it has had better performance in one particular accident mode.

Basically, the Secretary's approach to motor vehicle safety means the industry cannot rely on federal safety standards to design its cars and trucks. Inevitably, after years of production, some designs will always exhibit better performance than other designs in some specific accident subcategory, and in some constructed test, not based on a performance standard. The Secretary's approach means that the vehicles performing less well could be subject to recall and increased product liability exposure, even though they met or exceeded a directly relevant performance requirement of a federal standard.

This is not rational regulation of the automotive industry, and we are extremely concerned that this decision will establish a precedent which will completely undermine the regulatory process itself as well as the relationship between the industry and agencies that regulate it. We hope that, as President, you will address the intolerable state of regulatory uncertainty that will otherwise result from Secretary Peña's decision.

Sincerely,

Robert J. Eaton
Chairman and CEO
Chrysler Corporation

Alex Trotman
Chairman and CEO
Ford Motor Company

John F. Smith, Jr.
President and CEO
General Motors Corporation